LPG Connections in Uttaranchal

4048. SHRI HARISH RAWAT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the percentage of Uttaranchal population being served by LPG as on 31st March 2006;

(b) by when entire population in cities, towns, villages and far-flung areas of Uttaranchal are proposed to be served with LPG;

(c) whether Government propose to give some concession in the gas cylinders to those weaker families in the State; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) As on 31.3.2006, Public Sector Oil Marketing companies (OMCs) were operating 161 LPG distributorship in the State of Uttaranchal. Through these distributorship, OMCs are serving about 13.43 lakhs LPG customers.

(b) OMCs supply domestic LPG through their distribution network and have the freedom to set up LPG distributorship at viable locations as per their commercial considerations. The setting up of LPG distributorships is a continuous process and involves identifying a suitable location, arranging land for setting up of godown and other statutory clearances. Though, it is not possible to indicate a specific time frame for setting up of new LPG distributorships, Government has advised OMCs to concentrate their future expansion plans in semi-urban and rural areas in the country.

(c) and (d) Domestic LPG is a heavily subsidized product with Government and oil companies sharing the subsidy on LPG.

Reduction in cost of production

4049. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that private oil companies like Reliance etc. are selling petroleum products at low cost than the public sector undertakings;

(b) if so, the details thereof;

(c) the reasons of high cost production of public sector undertakings; and

(d) the steps taken by Government to cut down the cost of production?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) PSU Oil Marketing Companies (OMCs) are fixing the prices of sensitive petroleum products in consultation with the Government. Private oil companies are free to fix the prices of their products.

(c) and (d) The refining cost of crude oil depends upon configuration, technology, capacity, age, location, logistic etc. The steps taken by PSU refineries to reduce refining cost are given below:

(i) Yield maximisation of value added products (LPG, MS, ATF etc.)

(ii) Thrust on energy conservation and reduction in hydrocarbon losses.

(iii) Minimising the manpower cost through downsizing.

(iv) Adherence to preventive maintenance schedule to achieve the optimum maintenance cost.

(v) Control on overheads.

(vi) Expansion of capacity to achieve economies of scale.

Losses of Indian Oil Corporation on Sales

4050. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is fact that Indian Oil is losing Rs. 80 crores per day on sales;

(b) if so, the details thereof;

(c) the reasons that Private Oil Companies are making profit and the Indian Oil is bearing losses; and

(d) the positive steps Government are taking in this regard?